

ILLUSTRATION (LESS THAN MARKET VALUE CALCULATION - SIMPLE OWNERSHIP EXAMPLE)

Assumptions / Knowns:

Number of Acres:	20 (A)
Value per Acre:	\$200,000 (B)
Market Value (Highest and Best Use):	\$4,000,000 (C)
% of Market Income Living Space:	50% (D)
Total % of Low Income Living Space:	50% (E)
% Low Income Living Space per Income Group 80% or less of Median Income:	50% (F)
Low Income Level Discount Rate: 80% or less of Median Income:	75% (G)
BLM Low Income Value:	\$2,500,000 (X)

Formula:

$$X = C - \{ (C \times F) \times G \}$$

$$X = \$4,000,000 - \{ (\$4,000,000 \times .50) \times .75 \}$$

$$X = \$4,000,000 - \{ \$2,000,000 \times .75 \}$$

$$X = \$4,000,000 - \$1,500,000$$

$$X = \$2,500,000$$

*This formula works regardless of the unit value indicator used (per acre, per square foot, per developable unit, etc.)

*Immediately below is an encrypted working Excel formula based on the numbers used in the example.

\$2,500,000.00

ILLUSTRATION (LESS THAN MARKET VALUE CALCULATION - COMPLEX OWNERSHIP EXAMPLE)
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Assumptions / Knowns:

Number of Acres:	20 (A)
Value per Acre:	\$200,000 (B)
Market Value (Highest and Best Use):	\$4,000,000 (C)
% of Market Income Living Space:	30% (D)
Total % of Low Income Living Space:	70% (E)
% Low Income Living Space per Income Group	
80% or less of Median Income:	35% (F)
70% or less of Median Income:	35% (G)
Low Income Level Discount Rate:	75% (H)
(% of Median Income is 80% or less)	
Low - Moderate Income Level Discount Rate:	85% (I)
(% of Median Income is 70% or less)	
BLM Low Income Value:	\$1,760,000 (X)

Formula:

$$X = C - [\{ (C \times F) \times H \} + \{ (C \times G) \times I \}]$$

$$X = \$4,000,000 - \{ (\$4,000,000 \times .35) \times .75 \} + \{ (\$4,000,000 \times .35) \times .85 \}$$

$$X = \$4,000,000 - \{ \$1,400,000 \times .75 \} + \{ \$1,400,000 \times .85 \}$$

$$X = \$4,000,000 - \{ \$1,050,000 + \$1,190,000 \}$$

$$X = \$4,000,000 - \$2,240,000$$

$$X = \$1,760,000$$

*This formula works regardless of the unit value indicator used (per acre, per square foot, per developable unit, etc.)

*Immediately below is an encrypted working Excel formula based on the numbers used in the example.

\$1,760,000.00